

Message Text

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TAGS: OVIP (ROGERS, WILLIAM)

SUBJECT: WASHPOST NEWS COMMENT SUMMARY, JULY 17, 1973

1. FRONT PAGE OVERVIEW. POST BANNER HEADLINES PRESIDENT TAPED TALKS, PHONE CALLS; LAWYER TIES EHRlichMAN TO PAYMENTS. RIGHT-HAND COLUMN HEADED PRINCIPAL OFFICES SECRETLY BUGGED SINCE SPRING, 1971. LEFT-HAND COLUMN HEADED KALMBACH TESTIFIES AIDE APPROVED CASH TO DEFENDENTS. BELOW THE FOLD, POST HAS PUBLIC FIGURES STUNNED AT DISCLOSURE OF TAPE RECORDING; US ADMITS SECRET CAMBODIA BOMBING; NIXON, SHULTZ TO CONFER ON PHASE IV. FRONT PAGE ROGERS ARTICLE HEADED JAPANESE ATTACK US TRADE POLICY.

2. ROGERS/JAPAN. BELOW FOLD PAGE 1 ARTICLE TITLED JAPANESE ATTACK US TRADE POLICY BY DON OBERDORFER. NO PHOTO, 23 INCHES IN LENGTH AND CONTINUES INSIDE. ARTICLE LEADS BY SAYING ROGERS AND OTHER SENIOR US OFFICIALS SUBJECTED TO BARRAGE OF JAPANESE CRITICISM TODAY FOR ALLEGED AMERICAN DEFICIENCIES AS TRADING PARTNER. UNTIL RECENTLY THE SHOE WAS ON OTHER FOOT. THEN IT WAS UNCLASSIFIED
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WASHINGTON WHICH DID COMPLAINING AND DEMANDING AT JOINT ECONOMIC MEETINGS AND TOKYO WHICH WAS REQUIRED TO DO EXPLAINING AND DEFENDING. PRINCIPAL TOPIC THEN WAS VERY

LARGE BILATERAL TRADE IMBALANCE IN FAVOR OF JAPAN AND US DEMANDS FOR STRONG JAPANESE ACTION TO BRING IT DOWN. BRIEFLY REPORTED EACH COUNTRY'S POSITION ON ENERGY MATTERS (JOINT DEVELOPMENT OF ENERGY RESOURCES IN SIBERIA), AGREEMENT TO MORE ACTIVELY PROMOTE JOINT CONSTRUCTION OF ENRICHED URANIUM PLANTS, COOPERATION AMONG PETROLEUM-IMPORTING NATIONS, TRADE IMBALANCE. CONTINUING, AT LEAST 4 JAPANESE MINISTERS EXPRESSED OFFICIAL DISMAY AT EXPORT RESTRICTIONS. IN UNUSUALLY BLUNT STATEMENT FORMIN OHIRA SAID JAPANESE GOVT FINDS ITSELF QUOTE GREATLY EMBARRASSED UNQUOTE BY AMERICAN EXPORT CURBS. SOME OF OPEN IRRITATION AT US EXPORT CURBS MAY BE A FORM OF ECONOMIC GAMESMANSHIP INTENDED BLUNT AMERICAN DEMANDS FOR ADDITIONAL JAPANESE TRADE REFORMS. SOME CONCERN NO DOUBT REFLECTS JAPAN'S SPECIAL AND EXTREME VUNERABILITY TO THREATS TO ITS OVERSEAS SUPPLY OF GOODS AND RAW MATERI-ALS. BEYOND THIS, TONE AND SUBSTANCE OF TODAY'S DISCUSSIONS APPEAR TO REFLECT GROWING JAPANESE PSYCHOLOGICAL INDEPENDENCE FROM SHADOW OF US. IN NUMBER OF PREVIOUS SITUATIONS JAPANESE BEEN CLEARLY IRRITATED AT US ACTIONS OR OMISSIONS. UNTIL RECENTLY THEY HAVE BEEN LESS INCLINED TO SAY, OR DO MUCH ABOUT IT, OFFICIALLY AND PUBLICLY. JAPANESE BELIEF THAT THEY ARE NOT TAKEN SERIOUSLY APPEARED TO BE CONFIRMED BY FACT THAT ONLY TWO US CABINET MEMBERS WERE PRESENT AT THIS SUPPOSEDLY CABINET-LEVEL FORUM AND THAT FIVE OTHER US CABINET MEMBERS WERE REPRESENTED BY SUBORDINATES. LAST MINUTE CANCELLATION OF SECY BUTZ WAS PARTICULARLY IRRITATING BECAUSE OF CONCERN OVER EXPORTS OF SOYBEANS AND OTHER FARM PRODUCTS. BUTZ' REPRESENTATIVE, U SECY CAMPBELL, TREATED TO INTRIGUING DISPLAY OF INFORMAL JAPANESE DIPLOMACY. AT PRIVATE LUNCHEON CAMPBELL HEARD LITTLE OR NOTHING ABOUT JAPAN'S SPECIAL NEED FOR SOYBEANS FROM HOST, AGRICULTURE MIN SAKURAUCHI. HOWEVER, DID NOT ESCAPE HIS NOTICE MENU INCLUDED MIXED SOYBEAN ITEMS.

3. WATERGATE. BUTTERFIELD TESTIMONY. PAGE 1 ARTICLE
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BY MEYER REPORTS FORMER WHITE HOUSE AID ALEXANDER BUTTERFIELD TOLD SENATE WATERGATE COMMITTEE PRESIDENT HAS BEEN ROUTINELY TAPING ALL HIS CONVERSATIONS AND MEETINGS IN OVAL OFFICE AND CABINET ROOM OF WHITE HOUSE, HIS EXECUTIVE OFFICE BUILDING OFFICE AND ON FOUR PERSONAL TELEPHONES. BUTTERFIELD, NOW FAA ADMINISTRATOR, SAID TAPE RECORDING BEGAN IN SPRING 1971 AND WAS INTENDED QUOTE TO RECORD THINGS FOR POSTERITY, FOR THE NIXON LIBRARY UNQUOTE. MOST PARTICIPANTS IN CONVERSATIONS WITH PRESIDENT HAVE NOT KNOWN THEY WERE BEING TAPED, BUTTERFIELD SAID BECAUSE ONLY A FEW MEMBERS OF WHITE

HOUSE INNER CIRCLE WERE TOLD ABOUT HIDDEN RECORDING DEVICES. BUTTERFIELD TESTIMONY, ACKNOWLEDGED TO BE

CORRECT BY WHITE HOUSE, INDICATES WHITE HOUSE MAY HAVE IN POSSESSION MEANS TO PROVE PRESIDENT KNEW NOTHING OF COVER-UP. SAMUEL DASH SAID COMMITTEE WILL REQUEST WHITE HOUSE TAPES FOR SPECIFIC DATES. DEPUTY PRESS SECRETARY WARREN DECLINED COMMENT WHEN ASKED IF WHITE HOUSE WOULD MAKE TAPES AVAILABLE TO SENATE COMMITTEE. SOURCES INSIDE WHITE HOUSE SAID PRESIDENT EXPECTED STAND BY RECENT STATEMENT THAT NIXON WOULD NEITHER TESTIFY BEFORE COMMITTEE NOR RELEASE PRESIDENTIAL PAPERS TO IT. IT IS EXPECTED COX WILL ALSO ASK FOR TAPES OF CONVERSATIONS BETWEEN NIXON AND DEAN AND CERTAIN OTHERS. BUTTERFIELD SAID ALL CONVERSATIONS AUTOMATICALLY TAPED IN OVAL OFFICE. NIXON'S EXECUTIVE OFFICE BUILDING OFFICE ALSO WIRED SO THAT SOUND OF VOICE AUTOMATICALLY ACTIVATES RECORDER. TELEPHONES IN OVAL OFFICE, EXECUTIVE OFFICE BUILDING OFFICE, LINCOLN SITTING ROOM AND ON PRESIDENT'S DESK IN STUDY IN ASPEN CABIN AT CAMP DAVID ARE ALL WIRED TO TAPE CONVERSATIONS. BUTTERFIELD SAID HE BELIEVED WHEN FOREIGN DIGNITARIES USED ASPEN CABIN THE DEVICE WAS REMOVED PRIOR TO OCCUPANCY. DASH SAID UNDER RECENT SUPREME COURT RULINGS PERMITTING TAPING OF CONVERSATIONS IF THERE IS ONE PARTY CONSENT, NO LAW IS VIOLATED BY TAPING CONVERSATIONS SO LONG AS NIXON IS AWARE OF RECORDINGS.

3A. KALMBACH TESTIMONY. PAGE 1 ARTICLE ABOVE FOLD BY UNCLASSIFIED UNCLASSIFIED

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PETER A. JAY TITLED KALMBACH TESTIFIES AIDE APPROVED CASH TO DEFENDANTS, REPORTS HERBERT KALMBACH, TESTIFIED EHRLICHMAN GAVE HIS EXPLICIT APPROVAL FOR THE CLANDESTINE PAYMENT OF ABOUT 220,000 DOLLARS TO DEFENDANTS IN WATERGATE BURGLARY. HE TOLD SENATE COMMITTEE THAT EHRLICHMAN ASSURED HIM LAST JULY 26 THAT INSTRUCTIONS HE WAS RECEIVING FROM DEAN FOR DISTRIBUTION OF MONEY WERE GIVEN WITH FULL AUTHORITY OF THE WHITE HOUSE BEHIND HIM. AS HE BEGAN TALE OF SECRET MEETINGS, CODE NAMES AND BUNDLES OF 100 DOLLAR BILLS, HE TOLD COMMITTEE THAT AFTER NEARLY A MONTH OF RAISING THOUSANDS OF DOLLARS FOR WATERGATE DEFENDANTS AND THEIR FAMILIES HE BEGAN TO WONDER ABOUT PROPRIETY OF WHAT HE WAS DOING AND SOUGHT REASSURANCE FROM EHRLICHMAN. LATTER TOLD HIM HE SHOULD CONTINUE HIS UNDERCOVER WORK AND SECRECY WAS ESSENTIAL OR WHOLE ASSIGNMENT COULD GET TO PRESS AND BE MISINTERPRETED. BY LATE AUGUST, HE HAD DECIDED NOT TO CONTINUE IN HIS CLANDESTINE ROLE AS WATERGATE PAYMASTER. KALMBACH'S TESTIMONY IN NO WAY IMPLICATED PRESIDENT IN COVERUP. HE NOTED AT OUTSET OF APPEARANCE BEFORE COMMITTEE HE CHOSE

TO APPEAR VOLUNTARILY AND HAS NOT SOUGHT IMMUNITY FROM PROSECUTION - AS DID DEAN - IN EXCHANGE FOR TESTIMONY.

3B. PUBLIC RESPONSE. PAGE ONE ARTICLES UNDER SAME HEADING PUBLIC FIGURES STUNNED AT DISCLOSURE OF TAPE RECORDING. WITCOVER ARTICLE HEADED LBJ AIDES DISAVOW SYSTEM REPORTS WHITE HOUSE CONFIRMATION OF PRACTICE OF AUTOMATIC RECORDING UNDER NIXON CAME IN SHORT LETTER FROM BUZHARDT TO ERVIN. BUZHARDT SAID NIXON SYSTEM OF RECORDING CONVERSATIONS SIMILAR TO THAT EMPLOYED IN LAST ADMINISTRATION AND WHICH HAD BEEN DISCONTINUED FROM 1969 UNTIL SPRING OF 1971. BUZHARDT OFFERED NO EVIDENCE OF CLAIM THAT JOHNSON ADMINISTRATION ALSO USED SYSTEM BUT SAID MORE DETAILED STATEMENT CONCERNING THOSE PROCEDURES WOULD BE FURNISHED TO COMMITTEE SHORTLY. WHILE SEVERAL JOHNSON ADMINISTRATION AIDES FLATLY DENIED KNOWLEDGE OF ANY AUTOMATICALLY TRIGGERED SYSTEM OF LISTENING DEVICES DURING JOHNSON YEARS, SOME ADKNOWLEDGED JOHNSON DID HAVE AND USE PHONE-CONNECTED RECORDING DEVICES ON SELECTED OCCASIONS. SECOND ARTICLE BY LOU UNCLASSIFIED
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CANNON HEADED SOME SAY THEY DON'T MIND, REPORTS PUBLIC FIGURES RANGING FROM MEANY TO ROMNEY REACTED WITH INCREDULITY TO TESTIMONY NIXON HAD TAPE-RECORDED CONVERSATIONS AND TELEPHONE CALLS WITHOUT CONSENT. NIXON CABINET MEMBERS WHILE REFRAINING FROM DIRECT CRITICISM OF PRESIDENT SAID TO A MAN THEY DIDN'T KNOW THEIR CONVERSATIONS WERE BEING RECORDED. KLEINDIENST SAID HE WAS UNAWARE OF PRACTICE, FINCH SAID HE WAS ASTONISHED, INCREDULOUS. DEMOCRATIC LEADERS IN CONGRESS WERE CRITICAL OF RECORDINGS, THOUGH MOST SAID THEY WOULD NOT HAVE OBJECTED IF TOLD IN ADVANCE. GERALD FORD SAID HE WAS NEVER AWARE OF RECORDINGS BUT HAD NO OBJECTIONS, HUGH SCOTT SAID HE DIDN'T KNOW BUT ALWAYS ASSUMED THERE MUST BE SOME METHOD OF KEEPING RECORDS.

3C. ELECTRONIC GIZMO. PAGE 1 BOXED ARTICLE BY WILLIAM GREIDER TITLED WONDERS OF WATERGATE. WONDERS OF WATERGATE DO NOT CEASE. NOW INVESTIGATING SENATORS HAVE STUMBLER ON TO ULTIMATE WITNESS - ONE WHO CAN RELIABLY SORT OUT CONFLICTING CHARGES, RECONCILE ALL CONFUSION AND CONTRADICTION, SAVE THE PRESIDENT OR MAYBE SINK HIM. WITNESS NOT DEAN OR MITCHELL, NOT HALDEMAN OR EHRLICHMAN, NOT EVEN PRESIDENT HIMSELF. IN SEARCH FOR TRUTH, THEY HAVE ALL BEEN UPSTAGED, APPROPRIATELY ENOUGH, BY AN ELECTRONIC GIZMO - A TAPE RECORDER THAT FAITHFULLY EAVESDROPPED ON ALL PRESIDENTIAL CONVERSATIONS. IF WHITE HOUSE WILL TURN LOOSE SPOOLS, THEY COULD ANSWER COUNTLESS QUESTIONS SURROUNDING WHAT PRESIDENT KNEW ABOUT WATERGATE AND WHEN,

WHICH HAS BECOME PRINCIPAL ISSUE OF SENATE INVESTIGATION.
IMPLICATION OF BUTTERFIELD'S REMARKS WAS THAT WHITE
HOUSE STRATEGY HAS BEEN LIKE QUOTE SAND-BAGGING UNQUOTE

IN POKER - HOLD BACK TAPED EVIDENCE UNTIL LAST
WATERGATE ACCUSATION WAS IN, THEN REVEAL IT AS A
DEVASTATING REBUTTAL. BUTTERFIELD EXPRESSED HOPE THAT
IT WAS NOT HIS LOT TO BLOW THE PRESIDENT'S GAME PLAN.
WHITE HOUSE PASSED UP EVERY OPPORTUNITY TO REVEAL
THEIR EXISTENCE WHICH SENATE COMMITTEE UNCOVERED
THROUGH COMBINATION OF HAPPENSTANCE AND GOOD QUESTIONING.

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3D. WHITE HOUSE TAPING. INSIDE ARTICLE BY O'TOOLE
HEADED WHITE HOUSE LISTENING DEVICES UNIQUE SAYS ARRAY
OF LISTENING DEVICES BUILT INTO WHITE HOUSE AND
PRESIDENT'S OFFICE IN EXECUTIVE OFFICE BUILDING IS
APPARENTLY UNLIKE ANYTHING ANYWHERE IN FEDERAL GOVERN-
MENT. ONE SOURCE CLOSE TO INTELLIGENCE COMMUNITY SAID
HE KNEW OF NO SUCH LISTENING SYSTEM ANYWHERE ELSE IN
WASHINGTON. BUTTERFIELD HAD TESTIFIED ON THE DEGREE OF
SOPHISTICATION OF LISTENING DEVICES. SAID TAPES OF
PRESIDENTIAL CONVERSATIONS IN STORAGE IN EOB. BUTTERFIELD
SAID TAPES HAD NOT BEEN TRANSCRIBED. BUTTERFIELD'S
DISCLOSURE OF ELABORATE WHITE HOUSE LISTENING SYSTEM
POINTS UP DIZZY HEIGHTS THAT HAVE BEEN REACHED BY
TECHNOLOGY OF ELECTRONICS.

3E. INTERNATIONAL REACTION TO TAPING. INSIDE ARTICLE
BY MARDER HEADED OTHER NATIONS ENGAGE IN HIGH-LEVEL
TAPING REPORTS SECRET RECORDING OF PRESIDENTIAL CONVERSA-
TIONS IS PRACTICE MANY NATIONS EMPLOY FOR TALKS WITH
THEIR HIGH OFFICIALS BUT NEVER ADMIT. SPOT CHECKS AMONG
US AND FOREIGN DIPLOMATS IN WASHINGTON INDICATED
THERE WAS NO GREAT SURPRISE ABOUT PRESIDENT'S USE OF
LISTENING DEVICES. WHAT DID CAUSE SURPRISE WAS THAT
PRACTICE BEING UNVEILED ON PUBLIC RECORD AND OFFICIALLY
CONFIRMED BY ADMINISTRATION. THERE WAS NO INDICATION
THAT DISCLOSURE WOULD SERIOUSLY DISRUPT COURSE OF
INTERNATIONAL AFFAIRS IN JUDGEMENT OF ADMINISTRATION
OFFICIALS. US DIPLOMATS AS WELL AS FOREIGN ENVOYS GENER-
ALLY LOOKED ON DISCLOSURE AS MORE OF AN AWKWARD
ADMISSION THAN AS CAUSE FOR INTERNATIONAL DISRUPTION.
ADMINISTRATION DECLINED TO DISCUSS WHETHER NIXON'S
CONVERSATIONS WITH FOREIGN HEADS OF GOVERNMENT WERE ALL
AUTOMATICALLY RECORDED IN WHITE HOUSE. SECURITY
SPECIALISTS SAID IN MANY FOREIGN CAPITALS IT IS STANDARD
PROCEDURE TO TAPE-RECORD CONVERSATIONS BETWEEN MAJOR
OFFICIALS. NEVERTHELESS IN OPINION OF SOME SECURITY
SPECIALISTS, KNOWLEDGE OR SUSPICION THAT CONVERSATION

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BEING TAPED DOES HAVE INHIBITING EFFECT ON EVEN SOME EXPERIENCED OFFICIALS. DISCLOSURE OF ADMINISTRATION TAPING OF CONVERSATIONS MAY EXPLAIN SOURCE DIPLOMATIC PUZZLEMENT ABOUT RECENT TALKS BETWEEN NIXON AND BREZHNEV WHERE NIXON RELIED ON SOVIET INTERPRETER IN PRIVATE DISCUSSIONS WITH BREZHNEV WITH NO US INTERPRETER IN ROOM. MANY US DIPLOMATS HAD REGARDED THIS AS HAZARDOUS PRACTICE. TAPING OF CONVERSATIONS IN WHITE HOUSE WOULD SUPPLY PART OF EXACT RECORD OF SUMMIT DISCUSSIONS BUT TALKS ALSO CONTINUED AT SAN CLEMENTE AND OUTDOORS AT CAMP DAVID

3F. INDICTMENTS. STEPHEN ISAACS PAGE 14 ARTICLE TITLED MITCHELL, STANS CITE PUBLICITY, ASK DISMISSAL OF INDICTMENTS. ATTORNEYS FOR MITCHELL AND STANS MOVED TODAY TO DISMISS INDICTMENTS AGAINST THEM IN NEW YORK ON GROUNDS OF MASSIVE PREJUDICIAL PRETRIAL PUBLICITY. THEY CONTEND THAT THE TWO MEN NEVER WILL BE ABLE TO GET FAIR TRIAL. STANS' ATTORNEY SAID QUOTE MASSIVE, PERVERSIVE AND PREJUDICIAL PUBLICITY, MUCH OF WHICH HAS BEEN STIMULATED BY THE GOVT ITSELF, HAS...SO PREJUDICED VIRTUALLY EVERY MEMBER OF THE POPULACE CONCERNING THE FACTS OF THIS CASE AND THE EVENTS SURROUNDING IT THAT A FAIR TRIAL CANNOT NOW, AND ALMOST ASSUREDLY CAN NEVER BE CONDUCTED, UNQUOTE. IN SUPPORT OF CONTENTION ATTORNEY SIMON GREENHILL FILED 2,615 PAGES OF EXHIBITS PURPORTING TO INDICATE SOME OF PROOF OF THAT PUBLICITY, EVEN CITING RECENT HARRIS AND GALLUP POLLS ON PUBLIC'S AWARENESS OF WATERGATE. MITCHELL'S ATTORNEY, PETER FLEMING, SAID PREJUDICIAL PUBLICITY HAS BEEN GENERATED ALMOST ENTIRELY BY AGENTS OF THE GOVT. FLEMING SAID GRAND JURY TESTIMONY HAS BEEN LEAKED, PROCEEDINGS BEFORE ERVIN COMMITTEE HAVE BEEN TELEVISED IN FULL, AND SUPPOSED TESTIMONY HAS BEEN LEAKED BEFOREHAND AND WITHOUT OATH. FLEMING AND GREENHILL SAID THAT IF COURT IS UNWILLING TO DISMISS, A CHANGE OF VENUE, IF NOT AN INDEFINITE CONTINUANCE, WOULD BE IN ORDER. GOVT IS DUE TO REPLY TO MOTIONS IN TWO WEEKS. TRIAL HAS BEEN SET FOR SEPT. 11.

3G. COX. INSIDE ARTICLE BY COLEN REPORTS COX SAID
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YESTERDAY IN PAPERS FILED IN US DISTRICT COURT THAT GOVERNMENT WILL MAKE SECOND SEARCH OF ITS RECORDS TO

DETERMINE IF MCCORD WAS VICTIM OF GOVERNMENT WIRETAPS.

COX'S OFFICE FILED PAPERS IN OPPOSITION TO MCCORD'S DEMAND FOR DISCLOSURE OF ANY MATERIALS PERTAINING TO POSSIBLE TAPS OF HIS CONVERSATIONS AND FOR HEARING ON MATTER.

4. CAMBODIA. WILLIAM CLAIBORNE ARTICLE ON PAGE 1 TITLED US ADMITS SECRET CAMBODIA BOMBING. NIXON ADMINISTRATION ADMITTED FOR FIRST TIME YESTERDAY THAT IT CONDUCTED SECRET B-52 BOMBING RAIDS IN CAMBODIA AS EARLY AS 1969 AND THEN FALSIFIED RECORDS TO MAKE IT APPEAR THAT ATTACKS OCCURRED IN SOUTH VIET NAM. RAIDS AND SUBSEQUENT COVERUP WERE QUOTE FULLY AUTHORIZED UNQUOTE BY SENIOR MILITARY AND CIVILIAN AUTHORITIES IN WASHINGTON AT TIME WHEN USG OFFICIALLY RECOGNIZED NEUTRALITY OF CAMBODIA UNDER PRINCE SIHANOUK. PENTAGON SPOKESMAN SAID DECISION PROBABLY APPROVED BY NSC. SECY SCHLESINGER ACKNOWLEDGED QUOTE SPECIAL SECURITY PRECAUTIONS UNQUOTE WERE TAKEN TO AVOID PUBLIC DISCLOSURE OF BOMBING RAIDS BECAUSE OF SENSITIVE DIPLOMATIC SITUATION AT THE TIME. PENTAGON'S ADMISSIONS SURFACED YESTERDAY AS FORMER AF MAJ HAL KNIGHT, AN OPERATIONS OFFICER, TESTIFIED BEFORE SENATE ARMED SERVICES COMMITTEE ABOUT HIS PART IN COVERUP. KNIGHT SPELLED OUT ELABORATE SYSTEM OF FALSELY REPORTING THOSE MISSIONS IN WHICH INSTRUCTIONS WERE SECRETLY FLOWN TO HIS RADAR TRACKING BASE IN BIEN HOA, SOUTH VIET NAM, AND THEN WERE BURNED EARLY IN MORNING AFTER EACH RAID. KNIGHT SAID HE WAS TOLD TO FAKE BOMBING REPORTS FOR QUOTE POLITICAL REASONS UNQUOTE, ADDING ONE SUPERIOR OFFICER SPECIFICALLY MENTIONED POSSIBILITY OF CRITICISM BY SENATE FOREIGN RELATIONS COMMITTEE. IN TESTIMONY KNIGHT RECOUNTED TYPICAL METHOD OF FALSIFYING BOMBING RECORD. SAID AT LEAST TWO OTHER RADAR GUIDANCE SITES ENGAGED IN SAME TYPE COVERT BOMBING MISSION. MOREOVER, ONE OFFICER SAID PRACTICE HAD BEEN GOING ON SINCE 1968 TET OFFENSIVE. SOME COMMITTEE MEMBERS CHALLENGED KNIGHT'S MOTIVES FOR WRITING ABOUT UNCLASSIFIED UNCLASSIFIED

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RAIDS TO SENS. PROXMIRE AND HUGHES. KNIGHT ADMITTED TO SEN. THURMOND HE FORCED TO RESIGN FROM AF IN OCT 1972 AS HE HAD BEEN TWICE PASSED OVER FOR PROMOTION BECAUSE OF INADEQUATE PROFICIENCY RATINGS. KNIGHT SAID HE NOT CONCERNED THAT INFORMATION ABOUT RAIDS BEING KEPT FROM MILITARY HIERARCHY, BUT IT NOT AVAILABLE TO CONGRESS OR PUBLIC. SEN. GOLDWATER CHALLENGED TESTIMONY SAYING HE WAS ONE OF MANY WHO KNEW RAIDS WERE GOING ON AND MISSIONS WERE CONDUCTED AT REQUEST OF PRINCE SIHANOUK. SEN. HUGHES, HOWEVER, POINTED OUT THAT

COMMITTEE RECENTLY GIVEN DOD ACCOUNTING OF BOMBING IN SOUTHEAST ASIA AND CAMBODIA DOES NOT APPEAR ON LIST UNTIL AFTER MAY 1970. HE ADDED HE WOULD CONTINUE THE INQUIRY TO FIND OUT WHO ORIGINATED ORDERS FOR FALSIFYING RECORDS.

5. ECONOMY. CARROLL KILPATRICK ARTICLE PAGE 1 TITLED NIXON, SHULTZ TO CONFER ON PHASE IV. PRESIDENT SCHEDULED MEETING TODAY WITH SECY SHULTZ TO GO OVER FINAL PLANS FOR PHASE IV WAGE-PRICE CONTROLS. OFFICIALS SAID SHULTZ WILL MAKE ANNOUNCEMENT ON NEW ECONOMIC PROGRAM THIS WEEK, POSSIBLY AS EARLY AS WEDNESDAY. IF PRESIDENT APPROVES LATEST PLANS, SHULTZ EXPECTED TO BRIEF CONGRESSIONAL LEADERS, CABINET AND PRESS, POSSIBLY AFTER STOCK MARKET CLOSES ON WED. DETAILS PROBABLY WILL BE ANNOUNCED IN ONE PACKAGE RATHER THAN PIECE-MEAL, ZIEGLER SAID. MEETING WITH SHULTZ COMES AGAINST BACKGROUND OF TWO NEW ECONOMIC DEVELOPMENTS: (1) FIRST NATIONAL BANK OF CHICAGO ANNOUNCED IT WAS INCREASING ITS PRIME LENDING RATE TO 8.5 PERCENT, MATCHING A RECORD SET IN 1969; (2) GOVT REPORTED THAT RATE OF INCREASE IN INDUSTRIAL OUTPUT WAS 0.3 PERCENT IN JUNE, DOWN FROM 0.7 PERCENT IN MAY. OUTPUT OF CONSUMER GOODS DECLINED 0.7 PERCENT DURING JUNE.

5A. GALLUP POLL. LATEST SURVEY SHOWS 52 PERCENT OF AMERICAN CONSUMERS FAVOR RETURNING TO STRICTER ECONOMIC CONTROLS ON BOTH WAGES AND PRICES WHILE 32 PERCENT EXPRESS OPPOSITION. DESIRE FOR TOUGHER CONTROLS CONSISTENT WITH FINDINGS OF EARLIER SURVEYS. WEIGHT OF UNCLASSIFIED UNCLASSIFIED

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OPINION HAS CONSISTENTLY FAVORED IMPOSITION OF STRICTER CONTROLS ON WAGES AND PRICES.

6. PRESIDENT'S ILLNESS/SCHEDULE. DOCTORS SAID PRESIDENT MAKING STEADY PROGRESS AND MAY LEAVE HOSPITAL FRI. HE IS LOOKING CONSIDERABLY BETTER AND IS CONTINUING TO IMPROVE, ALTHOUGH HE IS NOT YET ENTIRELY WELL. PRESIDENT EXPECTED REMAIN IN WASHINGTON AREA DURING HIS RECUPERATION, ZIEGLER SAID, SUGGESTING THAT HE WILL BE AT WHITE HOUSE OR CAMP DAVID DURING MOST OF THE PERIOD. ZIEGLER ANNOUNCED THAT ACCORDING TO PRESENT PLANS, PRESIDENT WOULD MEET NEXT WEEK WITH SHAH OF IRAN, WHO IS PAYING A STATE VISIT TO WASHINGTON TUES AND WED. SCHEDULED TO CONFER JULY 30 WITH AUSTRALIA'S PM WHITLAM AND ON JULY 31 AND AUG. 1 WITH JAPANESE PM TANAKA. MEETING WITH PAKISTAN'S PRESIDENT

ALI BHUTTO, ORIGINALLY SCHEDULED BEGIN TODAY BUT

POSTPONED BECAUSE OF PRESIDENT'S ILLNESS, RESCHEDULED FOR SEPT. 11 AND 12.

7. ARGENTINA ELECTIONS. PERONIST SOURCES SAID THAT MOST LIKELY DATE FOR NEW PRESIDENTIAL ELECTIONS IS AUG. 26 INFORMED SPECULATION CENTERED ON POSSIBILITY THAT PERON WOULD ASK FORMER POLITICAL ENEMY, RICARDO BALBIN, TO BE HIS VICE PRESIDENTIAL CANDIDATE. BALBIN HEADS THE RADICAL CIVIC UNION PARTY.

8. SOUTH KOREA'S CIA CHIEF. ROBERT WHEYMANT REPORTS FROM TOKYO THAT KIM HYONG WOOK, FORMER HEAD OF POWERFUL SOUTH KOREAN CIA AND WHO WAS ALSO INTIMATE OF PRES. PARK, REPORTED TO HAVE BEEN HIDING IN NEW YORK AREA SINCE HE LEFT SOUTH KOREA SEVERAL WEEKS AGO. A CHECK WITH STATE DEPT SHOWED KIM HAD NOT OFFICIALLY APPLIED FOR ASYLUM AS OF END OF LAST WEEK. BUT STATE DEPT OFFICIAL IS QUOTED AS SAYING HE UNDERSTOOD KIM HAD SOUGHT REFUGE. KIM WAS DIRECTOR OF CIA 1963-69, THUS ONE OF THE TWO OR THREE MOST POWERFUL MEN IN NATION. CONSIDERED RIGHT-HAND MAN OF PRES. PARK. NEXT JOB WAS NATIONAL ASSEMBLYMAN FOR RULING DEMOCRATIC PARTY UNTIL
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DISSOLUTION OF ASSEMBLY UNDER MARTIAL LAW LAST AUTUMN. DID NOT ALWAYS SEE EYE-TO-EYE WITH PARK AND IS KNOWN HE STRONGLY OPPOSED THE NORTH-SOUTH DIALOGUE PURSUED BY PRESENT CIA DIRECTOR. EXPECTED THAT SEOUL WILL TRY ALL MEANS SECURE HIS RETURN.

9. KOSYGIN IN VIENNA. LONDON OBSERVER REPORTS FROM VIENNA KOSYGIN IS MOSCOW'S MAN FOR SMALL COUNTRIES. BY SENDING HIM TO VIENNA WHILE BREZHNEV IN WASHINGTON AND BONN, RUSSIANS WANTED TO SHOW THAT THEY ARE NOT INTERESTED ONLY IN BIG POWERS AND TO DISPROVE WIDESPREAD BELIEF THAT THE TWO SUPER-POWERS INTEND ESTABLISH A KIND OF JOINT CONTROL OVER REST OF WORLD. BELIEVED ANOTHER PURPOSE WAS TO DEMONSTRATE THAT ENTIRE SOVIET LEADERSHIP BEHIND BREZHNEV'S POLICY OF BETTER RELATIONS WITH WEST AND OF DIPLOMATIC TRAVELS ABROAD. MAIN PURPOSE OF TALK DURING VISIT TO EUROPE WAS ECONOMIC. ALSO SOME SPECULATION IN VIENNA AS TO HOW FAR AUSTRIAN DIPLOMACY COULD BE OF USE IN HELPING SOLVE INTERNATIONAL PROBLEMS, ESPECIALLY MIDDLE EAST. SOME REMARKS BY KOSYGIN DURING VISIT ABOUT IMPORTANT ROLE OF NEUTRAL COUNTRIES COULD BE TAKEN AS ENCOURAGEMENT IN THAT DIRECTION.

10. CHINA/USSR AIR ACCORD. ROBERT KAISER REPORTS FROM MOSCOW THAT USSR AND CHINA HAVE AGREED ESTABLISH REGULAR AIR SERVICE BETWEEN MOSCOW AND PEKING, A SMALL GESTURE TOWARD MORE NORMAL RELATIONS. TASS ANNOUNCED

FLIGHTS WILL BEGIN SIMULTANEOUSLY AT AN UNSTATED FUTURE DATE. DIPLOMATIC OBSERVERS SAID NEW PACT REFLECTED WILLINGNESS APPARENTLY SHARED BY BOTH TO IMPROVE STATE-TO-STATE RELATIONS WHERE POSSIBLE. DOES NOT AFFECT THEIR VITUPERATIVE IDEOLOGICAL DISPUTE. NEW PACT MAY BE DUE PRINCIPALLY TO CHINA'S DECISION TO ENTER FIELD OF INTERNATIONAL AVIATION AS THEY HAVE MADE MAJOR PURCHASES OF US AND BRITISH JETLINERS AND RECENTLY NEGOTIATED SERIES OF CIVIL AVIATION AGREEMENTS.

11. VIET-NAM OIL. REUTERS REPORTS FROM SAIGON THAT SOUTH VIET-NAM HAS GRANTED MULTIMILLION DOLLAR OFFSHORE OIL EXPLORATION RIGHTS TO SHELL, MOBIL, ESSO, AND CANADIAN SUNNINGDALE CORP. THE 5-YEAR CONCESSION CALLS
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FOR A MINIMUM INVESTMENT OF DOLLARS 60 MILLION. EXPLORATION AREAS LOCATED ON CONTINENTAL SHELF OFF MEKONG DELTA COAST.

12. FRENCH A-TEST. FLURRY OF FRENCH MILITARY ACTIVITY IN SOUTH PACIFIC SUGGESTED THAT FRANCE WAS ON VERGE OF BEGINNING ITS CONTROVERSIAL SERIES OF ATMOSPHERIC NUCLEAR TESTS ABOVE MURUROA ATOLL.

13. COMMENT. POST EDITORIAL HEADED THE PRESIDENT AND THE TAPES ASKS WHY THE PRESIDENT WITH THE SOLID AMMUNITION OF RECORDED CONVERSATIONS AT HAND HAS NOT MOVED QUICKLY TO SPARE HIS PRESIDENCY AND AMERICAN PEOPLE FROM SERIOUS PERIOD OF UNCERTAINTY. ONE ANSWER MAY BE THAT NIXON WITH PROOF OF NON-INVOLVEMENT HAS BEEN WAITING UNTIL ALL EVIDENCE IS IN BEFORE PUTTING TO REST ALL DOUBTS ABOUT HIMSELF. IF PRESIDENT HAS CONSCIOUSLY DELAYED HE AND COUNTRY HAVE BEEN PAYING HEAVILY FOR SO CYNICAL A STRATEGY. ANOTHER POSSIBILITY IS THAT PRESIDENT FELT CONSTRAINED TO WITHHOLD FACT OF EXISTENCE OF TAPES BECAUSE OF POSSIBLE EMBARRASSMENT TO FOREIGN EMISSARIES WHO DID NOT KNOW PRIVATE CONVERSATIONS WITH PRESIDENT WERE BEING TAPED. MERIT OF THAT ARGUMENT IS NOW GONE. THERE IS NOW NO GOOD REASON FOR PRESIDENT NOT TO PROCEED IMMEDIATELY TO PRODUCE EVIDENCE OF TAPES IN OWN DEFENSE. POST HOPES EVIDENCE WOULD SETTLE MATTER AND PERMIT PRESIDENT TO GET ON WITH BUSINESS OF GOVERNING.

13A. POST EDITORIAL HEADED SHOWDOWN TODAY ON ALASKA PIPELINE SAYS ECONOMIC REALITIES WILL ALMOST ALWAYS GUARANTEE THAT CASE FOR ENERGY WILL BE STRONGLY MADE. NATIONAL ENVIRONMENTAL PROTECTION ACT IS MAIN INSTRUMENT AVAILABLE TO ENSURE THAT CASE FOR ENVIRONMENT WILL ALSO RECEIVE DUE CONSIDERATION. TO BLUNT THIS INSTRUMENT AS GRAVEL AMENDMENT WOULD RISK MEASURE OF PERMANENT ENVIRONMENTAL DAMAGE OUT OF PROPORTION TO ECONOMIC

ADVANTAGES WHICH MIGHT RESULT FROM RUSHING INTO ALASKAN
PIPELINE.

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13.B. KRAFT COLUMN ON OP-ED PAGE SAYS NIXON HEMMED
IN WITH DIFFICULTIES OF WATERGATE, FINANCING OF SAN
CLEMENTE HOUSE, MANAGING THE ECONOMY, PROBLEMS IN
INDOCHINA. NIXON BOUND TO BE PHYSICALLY DRAINED, EVEN
TO POINT OF ILLNESS. HE IS NOT A QUITTER AND COUNTRY
HAS NO STOMACH FOR IMPEACHMENT. PERHAPS THERE IS
OPENING UP POSSIBILITY OF RETIREMENT ON GROUNDS OF
HEALTH. BUT IF NOT, THE OUTLOOK IS FOR A PRESIDENT
WHO IS IN EFFECT A LONG-TERM LAME DUCK.

13.C. CHILDS COLUMN ON OP-ED PAGE TITLED (MIS)HANDLING
THE DONOR LIST SAYS ALONG WATERGATE WAY ARE PROSECUTIONS
SO NUMEROUS AND TIME CONSUMING THAT COX WILL HAVE TO
COME BACK FOR MORE THAN 2.8 MILLIONS HE IS REQUESTING.
GUIDE TO ROAD AHEAD IS STILL SECRET LIST OF NIXON
CAMPAIGN CONTRIBUTORS. THOSE WHO HAVE SEEN THE LIST SAY
THERE ARE LITERALLY DOZENS OF CORPORATE CONTRIBUTORS
WITH SOME RESEMBLANCE TO AMERICAN AIRLINES.

13.D. ZORZA COLUMN ON OP-ED PAGE HEADED POWER
STRUGGLE IN PEKING SAYS EVIDENCE OF INTERNAL RUMBLINGS
SUGGESTS VERY NATURE OF CHINA'S FUTURE DEVELOPMENT IS
AT STAKE. THE PEKING STRUGGLE AS REFLECTED IN ARTICLE
IN RED FLAG MEANS THAT THE OPPOSITION FAR FROM HAVING
BEEN DECISIVELY DEFEATED WHEN LIN PIAO FELL, IS AGAIN
TRYING TO SNATCH POWER FROM HANDS OF OLD MEN GROUPED
AROUND MAO. CHINA'S DILEMMA IS THAT OF ALL DEVELOPING
COUNTRIES, HUMAN COST OF ECONOMIC STAGNATION WHEN
RAPIDLY GROWING POPULATION MUST SHARE GROSSLY INADEQUATE
RESOURCES, CAN ALSO BE VERY HIGH. RUSH

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